

THESE MINUTES ARE SUBJECT TO APPROVAL AT THE NEXT BOF MEETING

TOWN OF CHESTER, CONNECTICUT
BOARD OF FINANCE
REGULAR MEETING

Thursday, January 21, 2021
Via ZOOM

CALL TO ORDER

Chairman Carmany called the meeting to order at 7:03 p.m. In attendance included: Chairman Carmany, Richard Strauss, Jennifer Rannestad, Rick Nygard, Jon Joslow, John O’Hare (welcomed as “full” Board member), Andrew Gardner (not seated), and Mike Joplin (not seated).

Also, in attendance, Peter Evankow, Business Manager, Lauren Gister, First Selectwoman, Charlene Janecek, Selectwoman, Elizabeth Netsch, Treasurer and James Grzybowski, Fire Chief. Also, several members of the public were in attendance.

APPROVAL OF MINUTES

John O’Hare a motion to approve the 12/19/20 BOF minutes. Rick Nygard seconded the motion. The motion passed unanimously.

AUDIENCE OF CITIZENS

During the first Audience of Citizens, resident Joe Cohen addressed the Board of Finance regarding his having proposed to the Board of Selectmen in September 2020 that Chester investigate and consider the purchase of land and a house at 9 Parkers Point road, which is adjacent to the town boat launch ramp on the Connecticut River.

Cohen said that Chester is the only town on the lower Connecticut River that lacks adequate public riverside access and that improving such access is among the objectives in the town's Plan of Conservation and Development. Cohen noted the property was originally on the market for \$1.3 million, had its asking price lowered to \$1.15 million, and was then taken off the market. It is expected to be returned to the market in Spring 2021.

Cohen said that this offers a rare opportunity to purchase usable, good land of slightly less than 4 acres directly on the river, and could be the town's last, best opportunity to do so. A significant plus is that the land can be combined with the existing town boat launch area. Cohen said he is asking that town officials -- including the Board of Selectmen, Planning and Zoning Commission, and Board of Finance investigate the potential opportunity, recognizing that there are at least four potential cost elements: Purchase of 9 Parkers Point, loss of property tax revenue, maintenance, and possible improvements. Cohen noted that the purchase would have to be approved by the Board of Selectmen, Board of Finance and by voters, likely in referendum or town meeting.

Cohen said that among the reasons he brought the matter forth publicly to town boards is that how the public will react to the proposal remains unknown, and would be a significant factor in how the process and potential purchase moves forward.

NEW BUSINESS

Presentation: Audit – PKF O’Connor, Davies – Joseph Centofanti, Kathryn Ta

A copy of the Independent Auditors' Report was included in the BOF packet and "screen shared". No deficiencies in internal controls/material weaknesses were identified. The report offered recommendations for BOF consideration, including recommendations for the Education Department, cafeteria funds and Supervision District. Recommendations addressed from prior Audit were also included in the report.

Addressing recommendations included in the report relative to the Town are the responsibility of the First Selectman's office. Lauren reported that Covid-19 necessitated a delay in addressing recommendations regarding the Town Clerk's office.

BOF members expressed concern regarding the Investment and Administrative Expenses recommendation(s). This item also appeared in last year's audit report.

Andrew Gardner reported that clarification is needed on the charge and role and responsibility of the Retirement Board. He recommends that the Retirement Board, who meets quarterly, NOT be the party making investment decisions on behalf of the Town. The role of the Retirement Board vs. Essex Financial needs to be re-visited to ensure that Essex Financial is earning the fees they are charging to the Town. Lauren will follow-up with the Chairman of the Retirement Committee.

Appropriate levels of funding of the Pension Plan (80%) were discussed. The recommendation for an 80% funded pension is a benchmark. The Retirement Board is considering pension funding assumptions.

Mr. Centrofanti, PKF O'Connor, Davies provided a comprehensive overview of the Audit and was available to address additional comments/concerns posed by BOF members. The Board thanked Mr. Centrofanti for his presentation.

REPORTS

Tax Collection and Revenue, Education and State of the State Updates

Monthly Financials

Monthly financial reports were included in the BOF packet. Virginia reported the following relative to the Revenue Analysis Report:

- Full ECS funding did not come in the second quarter; however, there is no indication from the State that they will not be received.
- The Grand List is 1.9 million over what we expected
- Aircraft registration is increased.
- Ambulance revenue is down; however, Chief Grzybowski expects that it will "catch up".
- Interest is lower than expected due to Covid-19.
- Miscellaneous Grants include Corona Virus relief.
- Grants for municipal projects consist of State Revenue sources; i.e. TAR
- Chester Unemployment rate for November increased to 5.84% (was previously 4.15%)
 - It is anticipated that December numbers will reflect an increase

Virginia reported that Supervision District's 3rd workshop took place on 1/20. The Supervision District budget is up \$278,000 (3.48%) and includes \$110,000 being transferred in from the elementary schools. The JW security project is \$486,000 net including grants.

In addition, Virginia reported that the State is forecasting that they will “cover” the deficit using investment and capital gain taxes; however, after 3 years, that money will not be available and there are concerns regarding long term liabilities and increases in same.

The status of STF funding for transportation was discussed. Indirectly, Chester can be affected by the lack of funding in the STF vis a vis state roads located in Chester.

Tax Collector’s Report

- remains healthy

Annual Budget Status Report

- No changes on revenue side
- Municipal Insurance (unexpected increases), on the Expenditure portion of the report, is being investigated in the First Selectman’s office. Lauren will follow-up and report back to the BOF.
- Lauren is working with FEMA for reimbursements relative to damage associated with Hurricane Isaias.
- Lauren is pursuing the environmental study for the Skyview property. Most likely in the spring.

The Board packet included a report, developed by Peter, tracking the expenditures approved by the BOF relative to the election. These expenditures were approved but funding for the expenditures was not identified. Also, Peter noted line items that will require BOF transfers; i.e., P&Z outside contractor. Virginia commented that the BOF did expect that the funds approved relative to the election should be “covered” in their departments.

Lauren agreed to provide an additional spreadsheet tracking Covid expenses and reimbursements.

Year to date Revenues and Expenditures Report - no comments.

The 5-year Capital Budget Report does not yet reflect final bills for the Main Street Project or the Maple Street Project. Both the 5-year and 10-year Capital reports will be updated to 1/31, including new requests in “red” for the Feb. 18th BoF Regular Meeting.

First Selectwoman’s Report

Lauren reported:

- Main Street Project Financials Update
 - Minor punch list items still open; i.e., sand in tree wells, manhole cover needs to be replaced
 - Jacobson is negotiating bills; i.e., change orders
 - Main Street Contingency funds – will be used for:
 - Unanticipated utility work
 - Replacement of French Hen stairs
 - Jacobson is developing a written report of all financials for the February BOF meeting.
- Six volunteers from the Social Services Committee are currently making calls to the 400 Chester residents over 75 years of age to assist them with registering for the Covid-19 vaccine. Charlene provided an update on the process. These calls have been well received and out of state family

members have expressed appreciation for this service. Free transportation to the vaccination site is being coordinated with Nine Town Transit.

- The RFP for the WIFI project funded by the STEAP grant is in progress
- Vaccine Distribution – several generous individuals and organizations have offered space for vaccination clinics; however, at this time the Health District is able to facilitate vaccinations.
- The Selectman’s office is working with the Police Department on clarification on signage in the downtown area.
- Estimates are being developed for cleaning of the Chester Wall and the flagpole wall.
- Budget documents are being collated and budget books will be ready for pick up ASAP. The budget will also be forwarded electronically. The budget book will include audit information.
 - Unanticipated Covid revenues and expenses have made it difficult to budget appropriately in some departments.
 - Budget workshops will be held via ZOOM and perhaps via a hybrid meeting (all CDC guidelines will be in place).

AUDIENCE OF CITIZENS – None.

EXECUTIVE SESSION

Jennifer Rannestad made a motion to go into Executive Session at 8:23 p.m. for the purpose of a discussion on real estate. John O’Hare seconded the motion. The motion passed unanimously.

Regular Session resumed at 8:59 p.m.

No action taken.

ADJOURNMENT

Rick Nygard made a motion to adjourn the meeting at 9:00p.m. Jennifer Rannestad seconded the motion. The motion passed unanimously.

Respectfully Submitted,

Suzanne Helchowski
Recording Clerk